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## Focus

# Fluidity of Test Factors Makes Trademark Cases Hard to Pin

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Trademark infringement, the hallmark of which is the “likelihood of confusion” analysis, is determined in the 9th U.S. Circuit Court of Appeals by applying the fluid, eight-factor balancing test of *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979). Rarely do all eight factors irrefutably favor any one party; usually, it seems at least some factors leave room for divergent opinions about whether a consumer is likely to be confused between the trademarks and products or services of the litigants. Because no single factor is supposed to be dispositive, trademark infringement cases are frequently and beautifully uncertain.

The standard test for summary judgment requires that no genuine issue of material fact exist. Thus, the initial crux of a trademark infringement case is determining when the inevitable disagreements regarding the application of the eight *Sleekcraft* factors are supported by admissible evidence significant enough to create a disputed issue of material fact, thereby overcoming a summary judgment motion. The recent decision in *Surfvivor Media Inc. v. Survivor Productions*, 406 F.3d 625 (2005), provides one contextual example of the 9th Circuit evaluating disagreements between trademark litigants and determining whether the case should withstand summary judgment.

In *Surfvivor Media*, the plaintiffs (Surfvivor) held three federal trademarks for the mark “Surfvivor,” a combination of the

words “surf” and “survivor.” Surfvivor used its mark to identify and sell beach-themed products, including such things as sunscreen, T-shirts, and surf boards, primarily in Hawaii. Several years after the “Surfvivor” mark was first used in commerce, the widely popular “Survivor” television program, in which contestants battle one another and the elements of nature to avoid being voted off the show, began broadcasting. An array of consumer merchandise bearing the “Survivor” mark followed, including T-shirts, sunscreen, lip balm, shorts and hats.

Surfvivor, as senior trademark holder, sued Survivor Productions, the junior trademark holder, for reverse confusion, claiming that consumers of beach-related products would be confused about whether Survivor was the source or sponsor of Surfvivor’s products.

Whether one trademark infringes another is a question of whether a “reasonably prudent consumer in the marketplace is likely to be confused as to the origin of the good or service bearing one of the marks.” *Surfvivor Media*. In more common parlance, to prevail on a trademark infringement claim, a plaintiff must demonstrate there is a likelihood that consumers will be confused and purchase the defendant’s products believing they are purchasing the plaintiff’s, or vice versa. See *Surfvivor Media; KP Permanent Make-Up Inc. v. Lasting Impression I Inc.*, 408 F.3d 596 (9th Cir. 2005).

As mentioned above, likelihood of confusion is assessed by balancing the eight *Sleekcraft* factors. The 9th Circuit discussed each factor in *Surfvivor Media*. It

determined that four of the eight factors weighed in favor of Surfvivor and a finding of likely confusion. These included (a) the relative strength of the marks at issue, (b) the similar marketing channels used by both parties (e.g., Hawaiian J.C. Penney stores), (c) the low degree of consumer care in distinguishing between brands of inexpensive goods (like sunscreen), and (d) Survivor’s constructively bad intent in adopting its mark with knowledge of Surfvivor’s mark. However, the court’s analysis indicates it did not believe these factors favored Surfvivor in a particularly *strong* fashion.

The court found the *Sleekcraft* factor regarding similarity of the marks was a split, in that the different appearance and meaning of the marks favored Survivor, but the similar sound favored Surfvivor. The 9th Circuit also chalked the three remaining factors up in Survivor’s column. Those factors were (a) the purported lack of relatedness between the products of the parties, (b) the minimal evidence of any prior actual confusion in the public, and (c) the lack of any competent basis for believing that Surfvivor planned to expand its product lines into other geographic regions.

Altogether, by the 9th Circuit’s tally, four factors favored Surfvivor and a likelihood of confusion, while one factor was divided (but slightly favored Survivor) and three factors favored Survivor, weighing against a likelihood of confusion. With that balance of apparently conflicting evidence, it seems a case could have been made for the denial of summary judgment. Instead, the court concluded that “[t]he distribution of

*Sleekcraft* factors does not raise a material issue of fact regarding likelihood of confusion,” and summary judgment was upheld against Surfivivor’s claim of infringement. *Surfvivor Media*.

This result could seem odd given the split count of *Sleekcraft* factors, especially when one considers that summary judgment is “disfavored” in trademark infringement cases under 9th Circuit precedent because of the highly fact-based nature of likelihood of confusion analysis. See *Surfvivor Media*; *KP Permanent Make-Up*.

But ultimately, the 9th Circuit (as well as the lower court) appears to have viewed the totality of the evidence in *Surfvivor Media* as lacking in conflict significant enough to create a disputed issue of fact when considering how heavily the various factors favored the moving party.

The decision deserves dissection. Based on *Surfvivor Media*, it seems that the relative strength the court assigns to each *Sleekcraft* factor, according to the particular circumstances, can be more important than the simple tally of how many factors generally favor one party over the other or conflict with each other. The 9th Circuit seemed to conclude that the weakness of Surfivivor’s showing on the actual confusion factor in particular was, functionally, especially decisive in this case. The apparent emphasis on actual confusion in *Surfvivor Media* is consistent with other 9th Circuit precedent establishing that a *lack* of evidence of actual confusion should be weighed heavily “when the particular circumstances indicate that such evidence should have been available” (*Sleekcraft*; *Cohn v. Petsmart Inc.*, 281 F.3d 837 (9th Cir. 2002)), and that even proffered evidence of actual

confusion can be trivial or de minimis (*Nutri/System Inc. v. Con-Stan Industries Inc.*, 809 F.2d 601 (9th Cir. 1987)).

Under other circumstances, solid evidence of past actual confusion can, conversely, be a strong leading indicator of future likelihood of confusion. *Surfvivor Media*, 406 F.3d at 633; *Rodeo Collection v. West Seventh*, 812 F.2d 1215 (9th Cir. 1987). Thus, the strength or lack of actual confusion can have importance beyond the more generic issue of whether any actual confusion exists.

The relative importance of other *Sleekcraft* factors may predominate in different cases based on the facts and context. For instance, the 9th Circuit apparently believes the factors regarding mark similarity, relatedness and similar marketing channels can, depending on the circumstances, be peculiarly important in certain types of trademark infringement cases involving the Internet. See *Interstellar Starship Services Ltd. v. Epix Inc.*, 304 F.3d 936 (9th Cir. 2002).

Thus, trademark litigants should be sure to assess whether the courts may give special weight to certain *Sleekcraft* factors depending upon the facts of their individual cases and relevant precedent. They should also examine whether it is possible to distinguish cases that may be used by an opposing party to suggest the importance of certain *Sleekcraft* factors.

*Surfvivor Media* also twice cited, for comparison purposes, an earlier 9th Circuit decision in which a lawsuit was allowed to proceed past summary judgment when only three of the *Sleekcraft* factors favored the plaintiff opposing the motion. But in that case, the three factors favored the plaintiff in overwhelming fashion. In contrast, despite finding that four factors favored plaintiff Surfivivor somewhat meekly,

summary judgment was still granted in the *Surfvivor Media* case — demonstrating again that, in each trademark infringement action, the relative weight assigned to the various factors can make all the difference in summary judgment analysis.

*Surfvivor Media* is a good example of how unpredictable trademark infringement analysis can be, and how important it is for trademark litigants to assess which factors may be deemed most important given the facts and circumstances of their particular cases.

Trademark litigants should also note the importance the 9th Circuit placed on the issue of damages in *Surfvivor Media*. As in most affirmative claims for relief, a plaintiff must demonstrate damages to prevail on a claim of trademark infringement. Surfivivor had not shown any damages whatsoever from the alleged confusion between its products and Survivor’s. The 9th Circuit explained in footnote 4 of its opinion that the lack of any damages evidence should have sunk Surfivivor’s case by itself, had it been raised below.

Accordingly, litigants should be careful not to be capsized by damages issues while attempting to ride even a tidal wave of liability. Trademark infringement plaintiffs should be prepared to demonstrate some concrete damage, and defendants should always consider how to attack the affirmative case as lacking any proof of actual harm.

Welcome to the beautiful uncertainty of trademark infringement litigation.

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